

December 2003

An Audit

Wisconsin Public Broadcasting Foundation, Inc.

2003-2004 Joint Legislative Audit Committee Members

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State Auditor - Janice Mueller

Audit Prepared by

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State of Wisconsin \ LEGISLATIVE AUDIT BUREAU

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December 19, 2003

Senator Carol A. Roessler and
Representative Suzanne Jeskewitz, Co-chairpersons
Joint Legislative Audit Committee
State Capitol
Madison, Wisconsin 53702

Mr. Thomas Fletemeyer, Executive Director
Wisconsin Public Broadcasting Foundation, Inc.
3319 West Beltline Highway
Madison, Wisconsin 53713

Dear Senator Roessler, Representative Jeskewitz, and Mr. Fletemeyer:

We have completed a financial audit of the Wisconsin Public Broadcasting Foundation, Inc.'s Television Fund and Radio Fund, as requested by the Wisconsin Educational Communications Board. The Foundation was organized by the Educational Communications Board under s. 39.12 and ch. 181, Wis. Stats., on September 29, 1983, for the exclusive purpose of raising funds for the Wisconsin educational radio and television networks. The audit covered the period July 1, 2002, through June 30, 2003.

We completed this audit in conjunction with our audits of the Wisconsin Educational Communications Board radio and television networks, report numbers 03-15 and 03-16. The Foundation's financial operations are separate and independent from the State of Wisconsin. The Foundation's financial statements are presented in two separate funds (radio and television) to accommodate reporting requirements and the Educational Communications Board's desire to maintain the funds separately. We were able to issue an unqualified independent auditor's report on these statements.

We appreciate the courtesy and cooperation extended to us by Educational Communications Board staff during the audit.

Respectfully submitted,

A handwritten signature in cursive script that reads 'Janice Mueller'.

Janice Mueller
State Auditor

JM/DA/ss

Audit Opinion ■

Independent Auditor's Report on the Financial Statements of the Wisconsin Public Broadcasting Foundation, Inc.

We have audited the accompanying balance sheet of the Wisconsin Public Broadcasting Foundation, Inc.'s Radio Fund and Television Fund, as of June 30, 2003, and the related statement of revenues, expenses, and changes in fund net assets and statement of cash flows for the year then ended. These financial statements are the responsibility of the Wisconsin Educational Communications Board, which manages the Foundation. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Wisconsin Public Radio Association, of which net assets of \$694,163 are contractually committed to the Educational Communications Board and are reflected in the accompanying financial data contained in Note 5. Net assets and revenues of the Wisconsin Public Radio Association included in the accompanying financial statements represent 11.9 percent of total assets and 41.4 percent of total support and revenue. The financial statements of the Wisconsin Public Radio Association were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Wisconsin Public Radio Association, is based solely upon the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Wisconsin Public Radio Association were audited by other auditors in accordance with auditing standards generally

accepted in the United States of America, but not in accordance with the additional requirements of *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only the Wisconsin Public Broadcasting Foundation, Inc., and do not purport to, and do not, present fairly the financial position of the State of Wisconsin as of June 30, 2003, and the changes in its financial position and its cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, based upon our audit and the report of other auditors, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the Wisconsin Public Broadcasting Foundation, Inc.'s Radio Fund and Television Fund as of June 30, 2003, and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Wisconsin Public Broadcasting Foundation, Inc. Management's Discussion and Analysis on pages 5 through 7 is presented for purposes of additional analysis and is not a required part of the financial statements referred to in the first paragraph. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 9, 2003, on our consideration of the Wisconsin Public Broadcasting Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

December 9, 2003

LEGISLATIVE AUDIT BUREAU
by 
Diann Allsen
Audit Director

Management's Discussion and Analysis ■

Prepared by Educational Communications Board Management

The Management Discussion and Analysis (MD&A) section is prepared by the Educational Communications Board's (ECB's) management and is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in its Statement Number 34. The MD&A provides the reader with general information on the financial activities of ECB and the Wisconsin Public Broadcasting Foundation, Incorporated (WPBF).

ECB is an agency of the State of Wisconsin that operates a public television network of 5 digital stations and 5 analog stations, as well as a public radio network of 12 FM stations and 1 AM station. ECB also operates 3 FM translators, 6 TV translators, and a network of 26 weather service broadcast sites. WPBF was organized by ECB under s. 39.12 and ch. 181 Wis. Stats., on September 29, 1983, for the exclusive purpose of raising funds for the Wisconsin educational television and radio networks.

Following this section are the financial statements and notes as they relate to WPBF. The Balance Sheet provides information on the types of assets and the liabilities of WPBF, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether WPBF's financial position is improving or deteriorating. The Statement of Revenues, Expenses, and Changes in Fund Net Assets and Statement of Cash Flows provide information on income and expenses and cash activities. The Notes to the Financial Statements provide additional information that is essential to a full

understanding of the data provided in the financial statements. GASB 34 redirects the focus of the reader from operating income gain or loss to the changes in fund net assets.

Condensed financial information relating to WPBF as of and for the fiscal years ended June 30, 2003 and June 30, 2002, is as follows:

WPBF Condensed Financial Information

	June 30, 2003	June 30, 2002	Percentage Change
Total Assets	\$5,843,081	\$5,118,581	14%
Total Liabilities	506,452	423,700	20
Net Assets	<u>\$5,336,629</u>	<u>\$4,694,881</u>	

	FY 2002-03	FY 2001-02	Percentage Change
Operating Revenue	\$8,773,191	\$8,736,244	0%
Operating Expenses	1,704,059	1,778,891	-4
Net Operating Income	7,069,132	6,957,353	
Nonoperating Revenue	(24,967)	(535,015)	95
Interfund transfer	(6,402,417)	(6,217,287)	3
Changes in Net Assets	<u>\$ 641,748</u>	<u>\$ 205,051</u>	

The total assets increase of 14 percent was due to an increase in the amount of WPBF cash and an increase in the value of the WPBF equity in WPRA. The increase in total liabilities was due to timing of payments to liquidate the liabilities.

The operating revenue had almost no change, and expenditures overall decreased slightly from the level of last fiscal year.

Nonoperating revenue consists of investment earnings and losses, both realized and unrealized. Investment income increased in FY 2002-03 because of the market improvement.

The WPBF does not have capital assets and therefore does not have capital contributions for either fiscal year.

Transfers to ECB are based on cash required for operations during the fiscal year. The transfers increased slightly from FY 2001-02 to FY 2002-03 due to timing of payments by the ECB.

This financial report is designed to provide a general overview of the Wisconsin Public Broadcasting Foundation's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to ECB in care of the Associate Director for Finance and Administration, 3319 West Beltline Highway, Madison, WI 53713-4296.

General information relating to the Educational Communications Board can be found at ECB's Web site, www.ecb.org.

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Financial Statements ■

Balance Sheet June 30, 2003

	Radio Fund	Television Fund	Total June 30, 2003	Total June 30, 2002
ASSETS				
Current Assets:				
Cash and cash equivalents (Notes 1 and 2)	\$ 713,266	\$ 1,082,131	\$ 1,795,397	\$ 1,204,549
Investments (Notes 1 and 2)	1,343,069	1,993,806	3,336,875	3,561,099
Equity in resources held by WPRA (Note 5)	694,163	0	694,163	332,308
Grants and contracts receivable	0	4,295	4,295	9,603
Interest receivable	2,458	2,786	5,244	5,062
Other receivables	6,148	200	6,348	5,960
Prepaid expense	0	759	759	0
TOTAL ASSETS	\$ 2,759,104	\$ 3,083,977	\$ 5,843,081	\$ 5,118,581
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Accounts payable and accrued expenses	\$ 162	\$ 39,417	\$ 39,579	\$ 7,032
Accrued liabilities due to affiliates	192,098	79,629	271,727	286,393
Due to ECB (Note 3)	81,212	113,934	195,146	130,275
Total Current Liabilities	273,472	232,980	506,452	423,700
Net Assets				
Unrestricted	2,485,632	2,850,997	5,336,629	4,694,881
Total Net Assets	2,485,632	2,850,997	5,336,629	4,694,881
TOTAL LIABILITIES AND NET ASSETS	\$ 2,759,104	\$ 3,083,977	\$ 5,843,081	\$ 5,118,581

The accompanying notes are an integral part of this statement.

**Statement of Revenues, Expenses, and Changes in Fund Net Assets
for the Year Ended June 30, 2003**

	Radio Fund	Television Fund	Total 2002-03	Total 2001-02
OPERATING REVENUES				
Contributions Undesignated (Note 1)	\$ 3,623,731	\$ 2,477,994	\$ 6,101,725	\$ 5,951,312
Community Services Grant—CPB	659,342	956,740	1,616,082	1,557,592
Underwriting Grants	653,449	282,586	936,035	914,044
Other Grants	0	19,047	19,047	52,678
Major Gifts	3,000	60,692	63,692	43,070
Other Revenue	6,696	29,914	36,610	217,548
Total Operating Revenues	4,946,218	3,826,973	8,773,191	8,736,244
OPERATING EXPENSES				
Program Services:				
Programming and production	112,676	1,575	114,251	44,932
Broadcasting	0	950	950	11,339
Program information	213,271	91,712	304,983	359,771
Total Program Services	325,947	94,237	420,184	416,042
Support Services:				
Management and general	104,259	46,433	150,692	180,285
Fund-raising and membership development	349,367	771,717	1,121,084	1,165,614
Underwriting	585	11,514	12,099	16,950
Total Support Services	454,211	829,664	1,283,875	1,362,849
Total Operating Expenses	780,158	923,901	1,704,059	1,778,891
OPERATING INCOME (LOSS)	4,166,060	2,903,072	7,069,132	6,957,353
NONOPERATING REVENUES				
Investment Income	10,187	(35,154)	(24,967)	(535,015)
Income (Loss) Before Transfers	4,176,247	2,867,918	7,044,165	6,422,338
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Interfund Transfers (Note 3)	(3,966,952)	(2,435,465)	(6,402,417)	(6,217,287)
CHANGE IN NET ASSETS	209,295	432,453	641,748	205,051
Total Net Assets—Beginning of the Year	2,276,337	2,418,544	4,694,881	4,489,830
Total Net Assets—End of the Year	<u>\$ 2,485,632</u>	<u>\$ 2,850,997</u>	<u>\$ 5,336,629</u>	<u>\$ 4,694,881</u>

The accompanying notes are an integral part of this statement.

Statement of Cash Flows for the Year Ended June 30, 2003

	Radio Fund	Television Fund	Total 2002-03	Total 2001-02
CASH FLOWS FROM OPERATING ACTIVITIES				
Contributed Support	\$ 4,280,180	\$ 2,821,272	\$ 7,101,452	\$ 6,908,426
Received from Grants	659,342	981,095	1,640,437	1,604,324
Received from Other Sales	6,696	35,674	42,370	186,424
Payments to Suppliers	(759,013)	(934,072)	(1,693,085)	(2,002,090)
Net Cash Provided by Operating Activities	4,187,205	2,903,969	7,091,174	6,697,084
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers to Other Funds	(3,897,740)	(2,439,806)	(6,337,546)	(6,217,287)
CASH FLOWS FROM INVESTING ACTIVITIES				
Net Purchases, Sales, and Maturities of Investments	216,864	(64,037)	152,827	(228,105)
Interest and Dividends	23,278	22,970	46,248	59,955
Equity in Resources Held by WPRA	(361,855)	0	(361,855)	(174,453)
Net Cash Used for Investing Activities	(121,713)	(41,067)	(162,780)	(342,603)
NET INCREASE IN CASH AND CASH EQUIVALENTS	167,752	423,096	590,848	137,194
Balances—Beginning of the Year	545,514	659,035	1,204,549	1,067,355
Balances—End of the Year	<u>\$ 713,266</u>	<u>\$ 1,082,131</u>	<u>\$ 1,795,397</u>	<u>\$ 1,204,549</u>

The accompanying notes are an integral part of this statement.

	Radio Fund	Television Fund	Total 2002-03	Total 2001-02
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income	\$ 4,166,060	\$ 2,903,072	\$ 7,069,132	\$ 6,957,353
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Change in assets and liabilities:				
Receivables, net	0	11,068	11,068	(37,070)
Prepaid expense	(6,148)	(759)	(6,907)	0
Accounts and other payables	27,293	(9,412)	17,881	(223,199)
Net Cash Provided by Operating Activities	<u>\$ 4,187,205</u>	<u>\$ 2,903,969</u>	<u>\$ 7,091,174</u>	<u>\$ 6,697,084</u>

Noncash Investing Activities:

The net increase in the fair value of investments was \$193,758.

Notes to the Financial Statements ■

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The Wisconsin Public Broadcasting Foundation (WPBF), Inc., created on September 29, 1983, is a nonprofit Wisconsin corporation wholly owned by the Wisconsin Educational Communications Board (ECB), an agency of the State of Wisconsin. ECB operates a public television network of 5 digital stations and 5 analog stations, as well as a public radio network of 12 FM stations and 1 AM station. ECB also operates 3 FM translators, 6 TV translators, and a network of 26 weather service broadcast sites. WPBF solicits funds in the name of, and with the approval of, ECB. WPBF financial operations are separate and independent from the State of Wisconsin. Because the State has fiscal accountability for and can influence WPBF operations through legislation, WPBF is considered a blended component unit of the State of Wisconsin's financial reporting entity. The WPBF financial statements include an equity interest in the Wisconsin Public Radio Association (WPRA), a not-for-profit corporation that collects funds for public radio and provides support to the ECB Radio Network and WHA Radio. See Note 5 for further information regarding WPRA support for ECB.

B. Basis of Presentation

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). ECB has not applied Financial Accounting Standards Board

pronouncements issued after November 30, 1989. The financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Contributions and grants that are unrestricted are reported as support when WPBF is entitled to them. Restricted revenues are reported as support when the purpose for which the resource was provided has been accomplished. Television pledges for contributions and membership fees are reported as income when cash is received. Radio revenue is recognized for pledged WPRA contributions that are expected to be collected within one year. Non-cash contributions are recognized as revenues in the period of receipt.

Expenses are categorized in functional categories. Expenses that relate to more than one category are allocated to the respective categories, using estimates if necessary. When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, restricted resources are applied first.

Operating revenues are directly related to programming, production, development, and delivery of telecommunication services. Nonoperating revenues and expenses, such as interest revenue, are indirectly associated with programming, production, development, and delivery of telecommunication services.

C. Accounting Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

D. Cash and Cash Equivalents

Cash and cash equivalents include cash deposits with financial institutions.

E. Valuation of Investments

All investments of WPBF are carried at fair-market value based on quoted market prices.

F. Prior-Year Financial Statements

The financial information shown for fiscal year (FY) 2001-02 in the accompanying financial statements presents summarized totals and is included to provide a basis for comparison with FY 2002-03.

2. DEPOSITS AND INVESTMENTS

WPBF manages its cash and investment activities separate from the cash and investment activities of the State. The investments are managed by private trust companies. Investments authorized by WPBF’s Board of Trustees and held by WPBF include publicly traded stock and equity mutual funds. Investment income is presented as a nonoperating revenue in the Statement of Revenues, Expenses, and Changes in Fund Net Assets.

A. Deposits

GASB Statement 3 requires deposits with financial institutions to be categorized to indicate the level of risk assumed. These risk categories are: 1) insured or collateralized, with securities held by the entity or by its agent in the entity’s name; 2) collateralized, with securities held by the financial institution’s trust department or agent in the entity’s name; and 3) uninsured or uncollateralized.

At year-end, the carrying amount of WPBF’s deposits with financial institutions was \$1,795,397, and the bank balance was \$2,725,036. The difference is the amount of checks outstanding on June 30, 2003. The Federal Deposit Insurance Corporation (FDIC) covers deposits up to \$100,000 at each institution. Of the bank balance, \$100,000 was insured and is classified in risk category 1, and \$2,625,036 was uninsured and uncollateralized and is classified in risk category 3.

B. Investments

GASB Statement 3 also requires investments to be categorized to indicate the level of risk assumed by the State at year-end. The risk categories for investments are: 1) insured or registered, or the securities are held by the entity or its agent in the entity’s name; 2) uninsured and unregistered, with securities held by counterparty or its agent in the entity’s name; and 3) uninsured and unregistered, or the securities are held by counterparty or its agent but not in the entity’s name. With the exception of open-end mutual funds, which are not categorized, investments at June 30, 2003, meet the criteria for risk category 1.

	<u>Fair Value</u>	<u>Cost</u>
Equity Securities	\$ 3,129,063	\$ 3,151,096
Equity Mutual Funds	<u>207,812</u>	<u>242,928</u>
Total	<u>\$3,336,875</u>	<u>\$3,394,024</u>

3. FUND TRANSFERS

WPBF transfers funds monthly to ECB’s operating fund based upon funding requirements. The transfers are reflected as interfund transfers on the Statement of Revenues, Expenses, and Changes in Fund Net Assets. The timing of those transfers and the expenses result in an interfund payable and a receivable at year-end, which are reflected in the Balance Sheet.

4. ENDOWMENT

The management of WPBF established an endowment during FY 1992-93. The balance as of June 30, 2003, is \$533,835. Interest income earned on the endowment is used for television programming operations. None of the assets in the endowment at June 30, 2003, are donor-restricted. Assets in the endowment follow the investment policy disclosed in Notes 1 and 2.

5. RELATED ENTITIES

A. WHA Radio and WHA Television

WHA Radio and WHA Television are public telecommunications entities licensed to the University of Wisconsin (UW) Board of Regents and operated by UW Extension. In order to achieve statewide services and economies of scale, in the mid-1980s ECB and the UW Board of Regents developed partnerships called Wisconsin Public Radio and Wisconsin Public Television to manage and operate their stations. The partnerships are maintained through affiliation agreements outlining structural principles and functions, administrative staff allocations, stations (of both Wisconsin Public Radio and Wisconsin Public Television), and financial commitments of the partners. ECB and the UW Board of Regents jointly appoint the directors of Wisconsin Public Television and Wisconsin Public Radio. Staff and resources from both agencies work together to provide administrative and program services. Amounts due to or from affiliated parties are separately disclosed on the Balance Sheet. The relationship pervades all aspects of the financial activities reported in the accompanying financial statements.

B. Wisconsin Public Radio Association (WPRA)

WPRA is a not-for-profit corporation that solicits funds for public radio and provides support to the ECB Radio Network and WHA Radio, a network of radio stations licensed to the UW Board of Regents. WPRA solicits funds in the name of, and with the approval of, both ECB and WHA Radio. ECB Radio and WHA Radio have access to WPRA's net resources and retain an ongoing equity interest. ECB Radio's equity interest in WPRA is calculated in accordance with an affiliation agreement, which currently provides ECB Radio with 76 percent of WPRA net resources. This agreement is renegotiated annually based upon fund drive results.

WPBF includes in revenue the entire amount of WPRA net resources to which ECB Radio is entitled each year. WPBF also recognizes WPRA expenses made on ECB Radio's behalf as both a contribution and an expense. A summary of amounts related to WPRA included in the accompanying financial statements follows:

	Fiscal Year Ended <u>June 30, 2003</u>
Equity in Resources Held by WPRA	\$ 694,163
Contributed Support	\$3,623,731
Expenses:	
Program information	\$213,271
Management and general	79,847
Fund-raising and membership development	<u>349,367</u>
Total Expenses	\$ 642,485

WPRA issues separate financial statements that are audited by other auditors. A summary of significant WPRA financial data follows:

	Fiscal Year Ended <u>June 30, 2003</u>
Revenues	\$4,746,249
Expenses	<u>(4,291,942)</u>
Excess of Revenue over Expenses	<u>\$ 454,307</u>
	<u>June 30, 2003</u>
Current Assets	\$ 1,464,041
Endowment investments	214,255
Investments	110,405
Accounts Payable	(325,265)
Restricted Fund Balance	<u>(269,900)</u>
Net Assets Contractually Committed for Distribution to ECB and WHA Radio	<u>\$ 1,193,536</u>

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Report on Compliance and Control ■

Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

We have audited the financial statements of the Wisconsin Public Broadcasting Foundation, Inc., as of and for the year ended June 30, 2003, and have issued our report thereon dated December 9, 2003. We did not audit the financial statements of the Wisconsin Public Radio Association. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Wisconsin Public Radio Association, is based solely upon the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Wisconsin Public Radio Association were audited by other auditors in accordance with auditing standards generally accepted in the United States of America, but not in accordance with the additional requirements of *Government Auditing Standards*.

COMPLIANCE

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those

provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the Foundation's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This independent auditor's report is intended for the information and use of the Wisconsin Public Broadcasting Foundation, Inc., the Educational Communications Board, and the Wisconsin Legislature's Joint Legislative Audit Committee. This independent auditor's report, upon submission to the Joint Legislative Audit Committee, is a matter of public record and its distribution is not limited. However, because we do not express an opinion on compliance or provide assurance on internal control over financial reporting, this report is not intended to be used by anyone other than these specified parties.

December 9, 2003

LEGISLATIVE AUDIT BUREAU

by 
Diann Allsen
Audit Director